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Executive Board
1992 session

FOR ACTION

OUTLINE PROPOSAL FOR A POSSIBLE REVIEW OF ADMINISTRATIVE AND MANAGEMENT STRUCTURES AT UNICEF HEADQUARTERS

SUMMARY

The Executive Board, in its decision 1991/31 (E/ICEF/1991/15), requested the UNICEF secretariat to prepare an outline proposal for a management review, to consider the need for undertaking such a review and, if it was so decided, to determine its scope. As requested, the Executive Director has taken into account other relevant reviews, including the studies and reports of the Budget Format Reference Group, as well as a multi-donor evaluation of UNICEF work.

The Executive Director has also consulted the Bureau, which believes that the results of the multi-donor evaluation and the work of the Reference Group will facilitate Board consideration of the need for and scope of such a study. The Executive Director concurs with that view.

The present paper outlines a proposal that includes a description of recent management reviews, a proposed framework, the scope of the proposed review, the organization and responsibilities, a work plan, and budget and costs should the Board wish the Executive Director to proceed with the review.

The Executive Director recommends that the Board defer a decision on this matter until its 1993 regular session in order to benefit from the above-mentioned activities presently being undertaken.

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I. BACKGROUND

1. At its 1991 regular session, the Executive Board requested the Executive Director to present for consideration at its 1992 session, an outline of a proposal setting out the possible scope of a review of the administrative and management structure at UNICEF headquarters in order to ensure that they remain appropriate and efficient (E/ICEF/1991/15, decision 1991/31). The Board requested that the outline proposal be developed in consultation with members of the Executive Board through the Bureau, and take into account the relevance of other reviews that had already been conducted.

2. As of this writing, the other relevant reviews and evaluations are still under way. Some initial feedback from a multi-donor evaluation of UNICEF in the form of a Phase I report has become available and has been taken into account; the final results, however, will not be available until November 1992. The work and deadlines for the preparation of the outline have had, therefore, to proceed without the full benefit from these ongoing events.

II. RECENT MANAGEMENT REVIEWS

3. In considering the need for and the scope of a possible review of the administrative and management structure of UNICEF, the Executive Board should take into account the following major reviews that have been undertaken in recent years:

(a) A review by an internal task force established by the then new Executive Director in 1980-1981 whose recommendations led to a major restructuring of Programme Division and other organizational units in 1982;

(b) A review of programming and budgetary matters undertaken by the Joint Inspection Unit (JIU) in 1979 (E/ICEF/L.1403) and its follow-up discussions at the Board, which resulted in the restructuring of the UNICEF budgetary system and, inter alia, in the adoption of a biennial cycle starting in 1983;

(c) More recently, in 1986, a JIU review of UNICEF activities and structures (JIU/REP/86/11), which was studied by the Executive Director (E/ICEF/1987/CRP.6) and discussed by the Board at its 1987 session (E/ICEF/1987/11). A number of its recommendations were incorporated in the ongoing reorganization process;

(d) A review by an internal task force on information resources management whose recommendations in 1985-1986 led to several important structural changes, among them the establishment of the Planning Office, the Evaluation Office, the Office of Information Resources Management and improvements in programme management information systems;

(e) A thorough and systematic review of the budget, staffing and structure of the organization, at headquarters and in the field, which has been carried out on a biennial basis since 1983 by the Budget Planning and Review Committee. This review has led to several major reorganizations, notably the consolidation of the supply and procurement function at Copenhagen in 1983-1985, the significant strengthening of UNICEF field offices in Africa beginning in 1984, and subsequently in Latin America starting in 1985. Important steps to streamline and strengthen various regional offices and headquarters divisions have also been taken as necessary;

(f) An evaluation of external relations functions carried out in 1989 (E/ICEF/1990/L.4) which led to significant changes in the management of external relations and clarification of some of its functions.

4. Through the above studies, evaluations and reviews, administrative and management structures of UNICEF have been and continue to be adjusted and reinforced in keeping with the policy decisions and directives given to the secretariat by the Executive Board. The Executive Director believes that, with the periodic fine-tuning that is built into the Budget Planning and Review Committee process with the oversight of the Executive Board, UNICEF procedures and mechanisms enable the current organizational structure of UNICEF to adapt to the tasks that the organization is expected to carry out in the years ahead. As such, the Executive Director does not see a pressing need for a major study of the administrative and management structure of UNICEF at this time.

III. CONSULTATIONS WITH THE BUREAU

5. The Executive Director has consulted the Bureau, as requested by decision 1991/31. The Bureau believed that the results of the major evaluation mentioned in paragraph 2 above would need to be available before a fully informed judgement could be reached. A second important factor, in the Bureau's view, was the work of the Reference Group appointed to review the structure and format of budget documents as requested by decision 1991/30. The various reports of the Group will be reviewed at the 1992 regular session, with the results helping to shape the frame of the 1994-1995 biennial budget to be presented to the 1993 regular session.

6. Therefore, the Bureau was of the opinion that it might be prudent to defer a decision on this matter until these elements were available for a thorough review by the Executive Board. Concurring with this view, the Executive Director recommends that a decision on whether to proceed with a review, and if so, on its possible scope, should be taken by the Executive Board at its 1993 regular session.

IV. PROPOSED FRAMEWORK

7. However, if the Executive Board wishes the Executive Director to pursue a management review at this time, it is suggested that the focus of such a review should be to explore how UNICEF can be more effective and efficient in assisting developing countries to implement the very ambitious programme goals and strategies for children in the 1990s which the Board reviewed and approved in 1989, 1990 and 1991.

8. Additionally, the study could focus on the strengthening and monitoring of management by objectives and accountability in the administration of resources entrusted to UNICEF. Finally, the study might also examine the need to strengthen parts of headquarters and field structures in order to ensure that they remain appropriate and efficient into and beyond the year 2000.

9. An important focus for a management review is to ensure that its findings and recommendations are relevant and practical. This is the only approach that will enable UNICEF to benefit fully from such an exercise and to devise appropriate mechanisms for the application of its outcome.

10. The following outline of a possible review has been prepared in the event the Board would wish to pursue this forward-looking perspective.

A. Scope of the proposed review

11. The study would build upon the recent management review exercises, some of which are mentioned above. The considerable analysis undertaken by the Reference Group established by the Board would form an important basis from which to proceed. Similarly, the outcome of the multi-donor evaluation would also contribute to this process. In the light of these events and, in particular, the guidance the Board is expected to provide on the reports prepared by the Reference Group, the review might:

(a) Identify and analyse for the next 10- to 15-year period, projections and the focus of the UNICEF mandate, and the nature and emphasis of its tasks and priorities. This analysis should take into account the directions for the 1990s decade and Summit goals and programme priorities to the next level of specificity, i.e., to a point where they can be translated into financial, budgetary, personnel and management terms;

(b) Analyse briefly current UNICEF headquarters structure in the context of the organization's past and evolving mandate. In this connection, it might review the progressive developments in the role and responsibilities of headquarters in relation to the Board, UNICEF field and regional offices, the United Nations system and other collaborators. The broad historical analysis might cover the past 10- to 15-year period;

(c) Describe in specific details the evolution of UNICEF work in such areas as advocacy at the highest decision-making levels as a programming

approach; social and community mobilization; increased professional staff involvement in policy formulation and field operations; more staff-intensive and direct project-level involvement; increasing use of cash (non-supply) assistance in programme development; training; project implementation; and monitoring.

12. The above information and data thus obtained would facilitate an analysis and identification of specific issues and recommendations to resolve them, e.g. policy development, support, service and supervisory functions of headquarters divisions; the role of the regional office vis-à-vis headquarters and field offices; relations with common system development agencies, and the working relationship between the secretariat and the Board in view of the changing environment and new challenges facing children and women.

B. Organization and responsibilities

13. The Executive Director would coordinate and carry out the management review. Once the scope and terms of reference have been approved by the Board, a coordinator would be designated by the Executive Director to head a core working group of six to seven selected UNICEF staff, with appropriate field representation, to work full-time on the study. The services of outside management consultants, as necessary, would be acquired to work together with the UNICEF team.

14. Appropriate consultations with Executive Board members, through the Bureau, would be held.

C. Work plan

UNICEF team

15. The core group appointed by the Executive Director would, as its first task, prepare specific details of a plan of action. Members would be assigned clear responsibilities within the overall framework of the study. They would also be assigned liaison functions with and receive assistance/information from specific headquarters divisions and regional/field offices. The group would also work closely with the consultants. Mini-groups to work on specific topics might be created and abolished as necessary.

16. The Executive Director and his deputies would act as the policy team, receiving periodic reports on progress, resolving issues as they arose, and provide overall policy guidance and direction. They would also be the link with the Bureau/Board members.

Consultants

17. The selection of appropriate consultants is very important for undertaking an effective review and its outcome. They should possess a strong international background, as well as a full understanding of and experience in

social development issues. Equally strong credentials in management sciences and recent experience in undertaking management surveys of organizations comparable to UNICEF are also essential.

18. The consultants would be expected to support the work of the UNICEF team and to assist the Executive Director in realizing the objectives of the study as directed by the Board. They would be able to contribute an independent perspective and suggest state-of-the-art methodologies and approaches to achieve the highest levels of objectivity and efficiency in handling the available information and data. They might also identify the need for additional data and suggest improvements in the design of the study.

Timetable

19. The Executive Director requests the Board to give careful consideration to the timing of the review. During 1992, with the Board providing advice on the Reference Group documents, the preparation of the 1994-1995 biennium budget will preoccupy the secretariat. Moreover, the management-related aspects of the multi-donor evaluation of UNICEF work that can provide valuable inputs to the review will not become available until November 1992. Therefore, as suggested above, the study might be carried out during 1993 for review by the 1994 Executive Board during a non-budget year.

20. The comprehensive study being proposed requires a deliberate analysis and careful attention to detail so that its conclusions and recommendations are appropriate and suitable for practical application. The proposed time-frame will ensure that the findings of the review, after Board endorsement, can be considered and applied in the preparation of the biennial budget to be considered by the 1995 Board. A tentative timetable is suggested as follows:

May 1993:

Executive Board considers the need to undertake the study and approves its final scope and content.

May 1993 - September 1993:

(a) The Executive Director carefully reviews the guidance received from the 1993 Executive Board, including that on the Reference Group reports, the multi-donor evaluation recommendations and other relevant developments;

(b) The Executive Director appoints a coordinator and a full-time core team. The team undertakes the formulation of study approaches, prepares the methodology and logistics, and undertakes consultations both within and outside UNICEF, as necessary;

(c) The team identifies consultant needs, finalizes their terms of reference and identifies potential consultants;

(d) With the assistance of the selected consultants, finalizes the detailed time-frame, including possible consultations with Board members, with selected UNICEF offices and others as relevant;

(e) With the participation of the consultants, review the scope and content of the study, identify the methodology and work plan, organize relevant information and data as available; and identify any gaps and arrange to fill them.

September-November 1993:

(a) Begin actual work on the study, including data analysis, work with consultants; and consultations with UNICEF staff and Board members and others, as necessary;

(b) Initial conclusions to be ready by 15 November 1993 for review by the Executive Director and his deputies. Any guidance and advice for the preparation of the final study will be provided to the UNICEF team;

(c) The core team to finalize the draft of study and its conclusions, with assistance from consultants;

(d) Consultations with the Bureau.

December 1993:

Finalization of the study.

January/February 1994:

Consultations with the Bureau.

March 1994:

Prepare the study in its final form for presentation to the Executive Board.

May 1994:

Executive Board considers the study and its recommendations.

D. Budget and costs

21. A study of this magnitude will require additional expenditures to cover consultants' fees and travel, UNICEF team travel, some specialized short-term staff and other miscellaneous costs. In the absence of a specific plan, it is not possible to prepare an accurate budget. However, based on recent experiences of UNICEF and others, a study of this nature would incur upwards of $500,000 in additional costs. Experience has shown that such a study also demands considerable staff time, particularly that of the senior management at headquarters and in the field.

22. The financial needs for this study will be more accurately calculated after the Board decision. Details of its financial implications will then be included in the 1992-1993 revised budget and 1994-1995 proposed budget.

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FOR INFORMATION

REVIEW OF EXPENDITURES IN EXCESS OF COMMITMENTS AND UNSPENT COMMITMENTS FOR COMPLETED PROJECTS FINANCED BY SUPPLEMENTARY FUNDS

SUMMARY

The present report summarizes the outstanding balances of expenditures in excess of commitments and the unspent balances of commitments for completed supplementary-funded projects as at 31 December 1991.

INTRODUCTION

1. As a result of the expanded audit of the 1986 accounts, the 1988 Executive Board established the procedures to be followed in disposing of outstanding balances of overspent and unspent commitments for completed projects.

2. Regarding expenditures in excess of commitments, the 1988 Executive Board, in its decision 1988/11 H (E/ICEF/1988/13), established, inter alia, the following:

> "The financial implementation of supplementary-funded programmes should remain within the funded amounts. However, during the implementation, because of exchange rate fluctuations or other price increases that are out of UNICEF control, the resource needs may exceed those of the original project budget. In such cases, the donor(s) will be approached for additional support. If the additional support is not forthcoming, the project will be phased out and any overexpenditures will be allocated from general resources. The secretariat will report all such cases to the Executive Board specifying the amount in United States dollars, the assisted country to which it relates and the explanation of the overexpenditures".

3. In addition, in its decision 1988/11 I (E/ICEF/1988/13), the 1988 Executive Board established the following procedure for commitments in excess of expenditures:

> "When it is determined that a project is completed with savings, and where appropriate, the donor will be approached for possible reprogramming. If the donor does not agree, the balance of commitments will be cancelled and returned to the donor".

I. DISPOSITION OF OVERSPENT BALANCES FOR COMPLETED PROJECTS

4. In accordance with the policy of the Executive Board as noted in paragraph 2 above, the secretariat reported overexpenditures of $11,225,290.57 to the Executive Board in its 1991 session (E/ICEF/1991/AB/L.12). These overexpenditures were reviewed by the secretariat and field offices in 1991, and adjustments to the accounts were made. The resulting adjustments against general resources in 1991 amounted to $5,014,017.14. Details can be found in annex I.

5. The present report also summarizes the balances of overspent commitments relating to completed projects as of 31 December 1991 totalling $2,020,699.85. All overexpenditures will be reviewed in 1992 and the necessary action taken in accordance with the policy as stated in paragraph 2 above. The details can be found in annex II.

II. UNSPENT COMMITMENTS FOR COMPLETED PROJECTS

6. In accordance with the policy of the Executive Board as noted in paragraph 3 above, the secretariat reported to the Executive Board at its 1991 session unspent commitments totalling $55,413.02 related to completed projects (E/ICEF/1991/AB/L.12). These balances were reviewed by the secretariat and field offices in 1991, and adjustments to the accounts were made. After such adjustments, $32,918.07 of the amount reported in the prior year was used to fund general resource expenditures. Details can be found in annex III.

Annex I

1990 OVEREXPENDITURES CHARGED TO GENERAL RESOURCES IN 1991

(In United States dollars)

Region/country	Amount
AFRICA	
Angola	245 850.74
Benin	49 351.22
Botswana	3 885.95
Burkina Faso	4 025.38
Burundi	36 671.47
Cameroon	2 326.09
Cape Verde	73 490.06
Chad	163 868.63
Comoros	14 879.10
Côte d'Ivoire	16 630.18
Congo	15 660.91
Ethiopia	898 368.34
Gambia	3 915.28
Lesotho	34 007.27
Liberia	63 316.04
Madagascar	233 967.95
Mali	175 786.78
Mauritania	50 948.75
Mozambique	30 667.46
Niger	17 481.75
Nigeria	69 567.27
Rwanda	9 478.11
Senegal	49 053.78
Sierra Leone	56 637.21
Somalia	130 567.88
Uganda	325 681.24
United Republic of Tanzania	100 544.10
Zaire	24 744.98
Zambia	11 621.75
Zimbabwe	1 200.83
Regional liberation movement	192 161.20
Total, Africa	3 106 357.70

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Region/country	Amount
AMERICAS AND THE CARIBBEAN	
Argentina	1 956.31
Belize	6 547.00
Bolivia	252 446.46
Chile	2 858.25
Colombia	3 193.19
Dominican Republic	4 261.30
Ecuador	227.91
Guatemala	107 205.33
Haiti	19 827.80
Jamaica	28 943.02
Mexico	31 768.57
Nicaragua	98 909.38
Peru	64 324.61
Total, Americas and the Caribbean	622 469.13
ASIA	
Bhutan	116.51
China	107 624.53
India	61 213.94
Lao People's Democratic Republic	2 556.76
Maldives	31 555.26
Myanmar	36 063.54
Nepal	139 123.37
Pakistan	0.09
Philippines	67 101.36
Sri Lanka	52 244.87
Thailand	125 633.05
Viet Nam	3 682.78
Total, Asia	626 916.06
MIDDLE EAST AND NORTH AFRICA	
Djibouti	5 866.00
Egypt	26 103.25
Jordan	31 553.08
Lebanon	68 241.40
Sudan	483 398.88
Syrian Arab Republic	70 081.09
Palestinian children and mothers in the Syrian Arab Republic	30.55
Total, Middle East and North Africa	685 274.25
Grand total	5 041 017.14

Annex II

SUMMARY OF OVEREXPENDITURES RELATED TO COMPLETED PROJECTS AS OF 31 DECEMBER 1991

(ACTION TO BE TAKEN IN 1992)

(In United States dollars)

Region/country	Amount
AFRICA	
Angola	139 512.35
Chad	27 148.88
Ethiopia	135 414.55
Gabon	17 045.17
Guinea	115 414.42
Lesotho	15 216.72
Liberia	11 076.93
Malawi	12 676.36
Mali	10 014.23
Mauritania	23 321.63
Mozambique	43 034.64
Niger	14 923.44
Nigeria	110 633.70
Sierra Leone	21 599.37
Somalia	70 053.92
Zimbabwe	26 798.93
Total, Africa	793 885.24
AMERICAS AND THE CARIBBEAN	
Belize	5 436.68
Costa Rica	3 718.00
Ecuador	23 290.21
Guatemala	19 700.00
Peru	71 260.72
Central America and Panama	51 083.65
Total, Americas and the Caribbean	174 489.26
ASIA	
India	47 437.73
Lao People's Democratic Republic	29 011.68
Myanmar	14 901.00
Total, Asia	91 350.41

Region/country	Amount
EUROPE	
Romania	1 478.67
Russian Federation	4 873.63
Total, Europe	6 352.30
MIDDLE EAST AND NORTH AFRICA	
Iran (Islamic Republic of)	132 838.09
Iraq	463 382.60
Jordan	85 576.06
Lebanon	61 732.61
Sudan	139 711.22
Turkey	71 382.06
Total, Middle East and North Africa	954 622.64
Grand total	2 020 699.85

Annex III

SUMMARY OF 1990 UNSPENT BALANCES IN COMPLETED PROJECTS USED TO FUND GENERAL RESOURCES EXPENDITURES AS AT 31 DECEMBER 1991

(In United States dollars)

Region/country	Amount
AFRICA	
Angola	89.42
Burkina Faso	1 393.29
Burundi	25.17
Cameroon	163.10
Cape Verde	205.49
Central African Republic	1 307.50
Chad	1 819.83
Ethiopia	3 093.59
Lesotho	47.00
Mali	772.63
Mauritania	487.53
Mozambique	696.29
Niger	409.66
Somalia	954.18
United Republic of Tanzania	5.78
Zambia	149.06
Total, Africa	11 619.52
AMERICAS AND THE CARIBBEAN	
Bolivia	235.91
Brazil	548.81
Colombia	311.96
Ecuador	327.90
El Salvador	254.71
Guatemala	1 050.05
Honduras	765.11
Jamaica	822.40
Mexico	1 750.46
Nicaragua	485.25
Peru	274.54
Total, Americas and the Caribbean	6 827.10

Region/country	Amount
ASIA	
Bangladesh	334.73
Bhutan	381.61
Cambodia	1 720.32
China	142.42
Indonesia	1 356.37
Republic of Korea	848.67
Nepal	1 281.91
Philippines	3 061.44
Sri Lanka	486.40
Afghanistan regional programme	148.35
Total, Asia	9 762.22
MIDDLE EAST AND NORTH AFRICA	
Lebanon	2 381.92
Sudan	1 406.09
Palestinian children and mothers in the Syrian Arab Republic	0.02
Palestinian children and mothers in the West Bank and Gaza	921.20
Total, Middle East and North Africa	4 709.23
Grand total	32 918.07

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FOR ACTION

THE STRUCTURE AND FORMAT OF BUDGET DOCUMENTS: STRUCTURE AND FORMAT OF THE FINANCIAL MEDIUM-TERM PLAN

SUMMARY

The present document reviews the question of timing for submitting the financial medium-term plan to the Advisory Committee on Administrative and Budgetary Questions and then to the Executive Board for possible adjustments, and proposes changes and additions to the current format. This presentation is the Executive Director's response to Executive Board decision 1991/30, on the review of budget formats, which calls for a review of the financial plan, including appropriate revisions in the tables and charts to maximize clarity and transparency.

The report details the following with regard to the financial medium-term plan: the timing; the budget information it contains; and changes to the presentation. Revised tables and charts are also included for review.

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INTRODUCTION

1. The present document was prepared in response to Executive Board decision 1991/30 on the review of budget formats, which called for a review of the financial plan, including appropriate revisions in the tables and charts to maximize clarity and transparency.

2. The document was reviewed with five other documents throughout the year at a number of meetings by a Reference Group consisting of nine Executive Board delegates. The document was also submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for its review and recommendations, which are presented in document E/ICEF/1992/AB/L.18.

3. The document addresses the question of timing for presenting the financial medium-term plan, which includes the comparison of actual results of the prior year with the previous financial plan forecasts made for that year. Following a description of the process involved in completing the financial medium-term plan and identifying the difficulties in meeting the schedules of ACABQ and the Executive Board, the document recommends that the current timing be maintained and proposes possible adjustments that could be made for improved coordination with ACABQ.

4. Based on the review of existing tables and graphs, the document proposes appropriate changes and additions intended to improve the presentation. The revised tables and graphs will be used in the 1992 financial medium-term plan. However, it should be noted that the numbers in the charts and graphs included in the document are for illustration only.

I. TIMING OF THE FINANCIAL MEDIUM-TERM PLAN

5. An important part of the financial medium-term plan is the comparison of the prior year's actual results with the previous financial plan forecast. This section of the plan explains the reasons for variances from the plan such as the effect of exchange rate movements during the year. The actual results for the prior year, including the year-end cash balances, are the starting-point for the four-year forecast in the financial medium-term plan.

6. The UNICEF fiscal year corresponds to the calendar year. For UNICEF Accounts Section to close the books for the year, financial information from the Copenhagen warehouse, the Geneva office, Greeting card and related operations (GCO) and about 115 field offices must be checked and consolidated. As a result, the final financial statements for the prior year are not available until the first week of March. Although UNICEF can use preliminary results to prepare most of the financial medium-term plan before that date, the plan cannot be completed until the final results are known. Once the actual results are known, the financial medium-term plan is finalized and the document is processed by the United Nations in time for the Executive Board session.

7. To meet its schedule, ACABQ has required UNICEF to submit the administrative and programme support budget well before the Executive Board session. As a result, the administrative and support budget is usually given to ACABQ early in December prior to the end of the fall session. This is before the end of the fiscal year and three months before the completion of the financial medium-term plan. The budget document contains income and expenditure projections, which are used to show the organization's expected rate of growth and the ratio of budget expenditures to programme expenditures. The source of these projections is a preliminary financial medium-term plan that the UNICEF secretariat prepares in mid-November. The projections in the final financial plan can be different from the preliminary plan since income and programme expenditure estimates may require adjusting after the year's actual results are known.

8. The difference between the projections in the budget document and the final financial plan has created some concern. For example, the actual results for 1990 were significantly better than the preliminary income estimates in the budget document. This occurred primarily because GCO had a very successful season and UNICEF received several large supplementary funds pledges during the last two weeks of December. This information was not known when the preliminary financial plan was prepared.

9. Despite the difficulties, the current timing of documents could be maintained. UNICEF would issue the budget documents, including preliminary projections of income and programme expenditures, in early December. This would enable ACABQ to begin its analytical work. To deal with the difference in projections between the budget document and the financial medium-term plan, UNICEF would issue a corrigendum to the budget documents explaining the differences between the projections in the financial medium-term plan and the budget documents prior to the Board session.

II. BUDGET INFORMATION IN THE FINANCIAL MEDIUM-TERM PLAN

10. The Executive Board reviews administrative budget proposals every two years. In the year when the Executive Board is reviewing the budget document, the narrative on the budget in the financial medium-term plan is very brief. Since the budget document describes the proposed budget in detail, it is unnecessary to repeat the information in the financial medium-term plan. There are no differences between the dollar amount of budget expenditures in the financial medium-term plan and the budget estimates in the budget document.

11. In the year when the Executive Board does not review a proposed budget, the planned budget expenditures in the financial medium-term plan provide the Board with a preview of the next budget proposal. The narrative of the plan describes what revisions may be necessary to the approved budget and gives preliminary estimates of the budget requirements for the next biennium. Included in the narrative is a preliminary estimate of additional posts that UNICEF may propose in the next budget document. These preliminary indications on the budget provide the Board with an early indication of what the Executive Director is planning with regard to the future programme support and

administrative budget prior to the start of the detailed preparation process. When the Board approves the financial medium-term plan it is not approving or endorsing the budget and staffing estimates in the plan. The Board approves programme and budget recommendations separately from approving the financial medium-term plan. The Board only approves the medium-term plan as a financial framework of projections. All proposed expenditures in the plan are subject to separate Board approval and the availability of resources.

III. CHANGES TO THE FINANCIAL MEDIUM-TERM PLAN PRESENTATION

12. The narrative in the financial medium-term plan changes each year depending on actual events and changes in assumptions. The narrative describes the financial plan process, the previous year's performance with the plan and the financial projections for the next four years.

13. The current narrative does not describe how UNICEF projects income. The Reference Group has received a separate paper describing how UNICEF arrives at the income projections in the plan (see E/ICEF/1992/AB/L.13). For the information of the Executive Board, UNICEF will include major portions of the income projections paper in the narrative of future financial medium-term plans.

IV. REVISED TABLES AND FIGURES

14. UNICEF has reviewed the existing tables and graphs in the financial medium-term plan and has made several changes and additions. UNICEF intends to use the following revised tables and graphs in the 1992 financial plan (it should be noted that the numbers in the tables and graphs are for demonstration purposes only):

(a) Table 1: This table shows UNICEF income projections for the plan period from each source. The revised table shows a percentage annual growth figure for each income group and shows "Interest income" separately from "Other income";

(b) Table 2: This table shows the estimated yearly phasing of expenditures on programmes the Executive Board has already approved and on programmes the Board will review at future sessions. The major change is the addition of line 3. This subtotal will be equal to the yearly totals in the programme "round-up" document. The round-up document shows the yearly estimated expenditure for every approved programme. The link between the details in the round-up document and the planned expenditures in the financial medium-term plan has not always been clear. The new subtotal in table 2 should resolve this problem. The revised table also shows "Other items" to arrive at a total general resources expenditure line that agrees with total expenditures in table 4;

(c) Table 3: This table is a total summary of the financial plan. It is the total of tables 4 and 5. The major change is the addition of percentage annual growth figures. In the 1991 plan this table included a

section called "Other operations", which contained information on the Supply Division warehouse. Each year Supply Division issues an annual report and Board paper that provide all of this information and more. The information in this section has no direct impact on the figures in the financial plan. As a result, this section has been eliminated;

(d) Tables 4 and 5: These tables show separately the financial plan for general resources and supplementary funds. The first major change is the addition of percentage annual growth figures. The second major change is showing country, global funds - field and global funds - headquarters programme expenditures separately instead of just total programme expenditures;

(e) Figure I: This graph shows how the actual performance in the prior year compares with the previous financial plan. This graph was added in the last financial plan and no changes are proposed;

(f) Figures II, III and IV: Previous plans included a total income and expenditure graph showing actual results for the last two years and the forecast for the next four years. In addition to the total graph, the 1992 financial medium-term plan will show separate graphs for general resources and supplementary funds. To give a longer historical perspective, all graphs will now show the actual results for the prior six years instead of two years;

(g) Figure V: This graph shows UNICEF cash balances. The existing graph shows the split between general resources cash and supplementary funds cash. The new graph further divides general resources cash into convertible and non-convertible currencies;

(h) Figure VI: This will be a new chart in the 1992 financial medium-term plan. It shows the elements of UNICEF total expenditures.

Table 1. UNICEF income projections

(In millions of United States dollars)

	Average % last 5 years	Actual 1990	Actual 1991	Plan 1992	Plan 1993 a/	Plan 1993 b/	Plan 1994 a/	Plan 1994 b/	Plan 1995 a/	Plan 1995 b/
General resources										
Governments		392	394	425	444	464	462	495	480	521
Non-government sources		27	20	21	22	25	23	26	24	27
GCO		90	81	85	90	98	97	103	104	111
Interest income		28	20	19	16	17	15	16	16	17
Other income		-7	-7	3	4	4	4	4	4	4
Total, General resources		530	508	553	576	608	601	644	628	680
% Growth	17%	25%	-4%	9%	4%	10%	4%	6%	4%	6%
Supplementary funds										
(a) Programmes										
Governments		160	100	170	182	191	195	210	209	231
Non-government sources		61	79	85	91	94	97	100	104	107
United Nations		4	5	5	5	6	5	6	5	6
Other income		3	-6	0	0	0	0	0	0	0
Subtotal		228	178	260	278	291	297	316	318	344
% Growth	28%	22%	-22%	46%	7%	12%	7%	9%	7%	9%
(b) Emergencies										
Governments		40	80	35	35	35	35	35	35	35
Non-government sources		11	28	10	10	10	10	10	10	10
United Nations		6	10	5	5	5	5	5	5	5
Subtotal		57	118	50	50	50	50	50	50	50
Total, Supplementary funds		285	296	310	328	341	347	366	368	394
% Growth	19%	17%	4%	5%	6%	10%	6%	7%	6%	8%
Total income		815	804	863	904	949	948	1010	996	1074
% Growth	18%	23%	-1%	7%	5%	10%	5%	6%	5%	6%

a/ These moderate income projections are used as the basis for determining programme and budget expenditure levels in the medium-term plan.

b/ These higher income levels are presented here as a target for UNICEF fund-raising efforts. Should these levels of income be achieved, the programme expenditure levels contained in the medium-term plan would increase.

Table 2. General resources: yearly phasing of estimated expenditure

(In millions of United States dollars)

	1992	1993	1994	1995	Beyond 1995	Total recommendations
Programme recommendations						
1. Unspent balances approved in prior years	284	122	80	30	13	529
2. Submitted to 1992 Executive Board	88	100	100	100	112	500
3. Subtotal a/	372	222	180	130	125	1029
4. To be prepared for 1993 Executive Board		100	100	100	200	500
5. To be prepared for 1994 and future Executive Board sessions			100	180		
6. Emergency Reserve allocations	7	7	7	7		
7. For future allocation	6	88	38	18		
8. Planned programme expenditures	385	410	418	428		
Budget recommendations						
9. Approved at 1991 Executive Board	194	197				391
10. To be submitted to 1993 Executive Board	-5	-5	199	206		405
11. Planned budget expenditures	189	192	199	206		
Other items						
12. Supply warehouse recovery	-7	-8	-8	-8		
13. Write-offs and miscellaneous	0	0	0	0		
14. Total expenditures	567	594	609	626		

a/ For programme descriptions, see table 3 in document E/ICEF/1992/P/L.2/Add.1.

Table 3. UNICEF financial plan: summary (general resources and supplementary funds)

(In millions of United States dollars)

	Actual 1990	Actual 1991	Plan 1992	Plan 1993	Plan 1994	Plan 1995
1. Income	815	804	863	904	949	996
% Growth	22%	-1%	7%	5%	5%	5%
2. Expenditures						
(a) Country programmes	498	571	599	635	661	690
Global programmes - HQ	21	21	22	23	23	23
Global programmes - Field	65	58	65	70	70	70
Total programmes	584	650	686	728	754	783
% Growth	17%	11%	6%	6%	4%	4%
(b) Budget expenditure	154	169	189	192	199	206
Supply warehouse recovery	-4	-8	-7	-8	-8	-8
Budget less recovery	150	161	182	184	191	198
% Growth	16%	7%	13%	1%	4%	4%
(c) Write-offs and miscellaneous	4	1	0	0	0	0
Total expenditures	738	812	868	912	945	981
% Growth	17%	10%	7%	5%	4%	4%
3. Income less expenditures	77	-8	-5	-8	4	15
4. Movements non-cash assets/liabilities	-65	14	-57	-16	-3	-3
5. Year-end cash balance						
(a) Convertible currencies	265	264	196	166	161	167
(b) Non-convertible currencies	26	33	39	45	51	57
Total cash balance	291	297	235	211	212	224

Table 4. UNICEF financial plan: general resources

(In millions of United States dollars)

	Actual 1990	Actual 1991	Plan 1992	Plan 1993	Plan 1994	Plan 1995
1. Income	530	508	553	576	602	628
% Growth	25%	-4%	9%	4%	5%	4%
2. Expenditures						
(a) Country programmes	272	304	333	355	363	373
Global programmes - HQ	16	16	20	21	21	21
Global programmes - Field	31	35	32	34	34	34
Total programmes	319	355	385	410	418	428
% Growth	27%	11%	8%	6%	2%	2%
(b) Budget expenditure	154	169	189	192	199	206
Supply warehouse recovery	-4	-8	-7	-8	-8	-8
Budget less recovery	150	161	182	184	191	198
% Growth	16%	7%	13%	1%	4%	4%
(c) Write-offs and miscellaneous	1	0	0	0	0	0
Total expenditures	470	516	567	594	609	626
% Growth	24%	10%	10%	5%	3%	3%
3. Income less expenditures	60	-8	-14	-18	-7	2
4. Movements non-cash assets/liabilities	19	-6	-61	-9	-1	-1
5. Year-end cash balance						
(a) Convertible currencies	221	200	119	86	72	67
(b) Non-convertible currencies	26	33	39	45	51	57
Total cash balance	247	233	158	131	123	124
Liquidity requirement compared to year-end cash balance:						
(a) Liquidity requirement	51	55	58	60	63	67
(b) Convertible currencies year-end cash balance	221	200	119	86	72	67

Table 5. UNICEF financial plan: supplementary funds

(In millions of United States dollars)

	Actual 1990	Actual 1991	Plan 1992	Plan 1993	Plan 1994	Plan 1995
1. Income	285	296	310	328	347	368
% Growth	17%	4%	5%	6%	6%	6%
2. Expenditures						
(a) Country programmes	226	267	266	280	298	317
Global programmes - HQ	5	5	2	2	2	2
Global programmes - Field	34	23	33	36	36	36
Total programmes	265	295	301	318	336	355
% Growth	6%	11%	2%	6%	6%	6%
(b) Write-offs and miscellaneous	3	1	0	0	0	0
Total expenditures	268	296	301	318	336	355
% Growth	6%	10%	2%	6%	6%	6%
3. Income less expenditures	17	0	9	10	11	13
4. Movements non-cash assets/liabilities	-84	20	4	-7	-2	-2
5. Year-end cash balance						
(a) Convertible currencies	44	64	77	80	89	100
(b) Non-convertible currencies	0	0	0	0	0	0
Total cash balance	44	64	77	80	89	100

Figure I

Financial performance for 1991

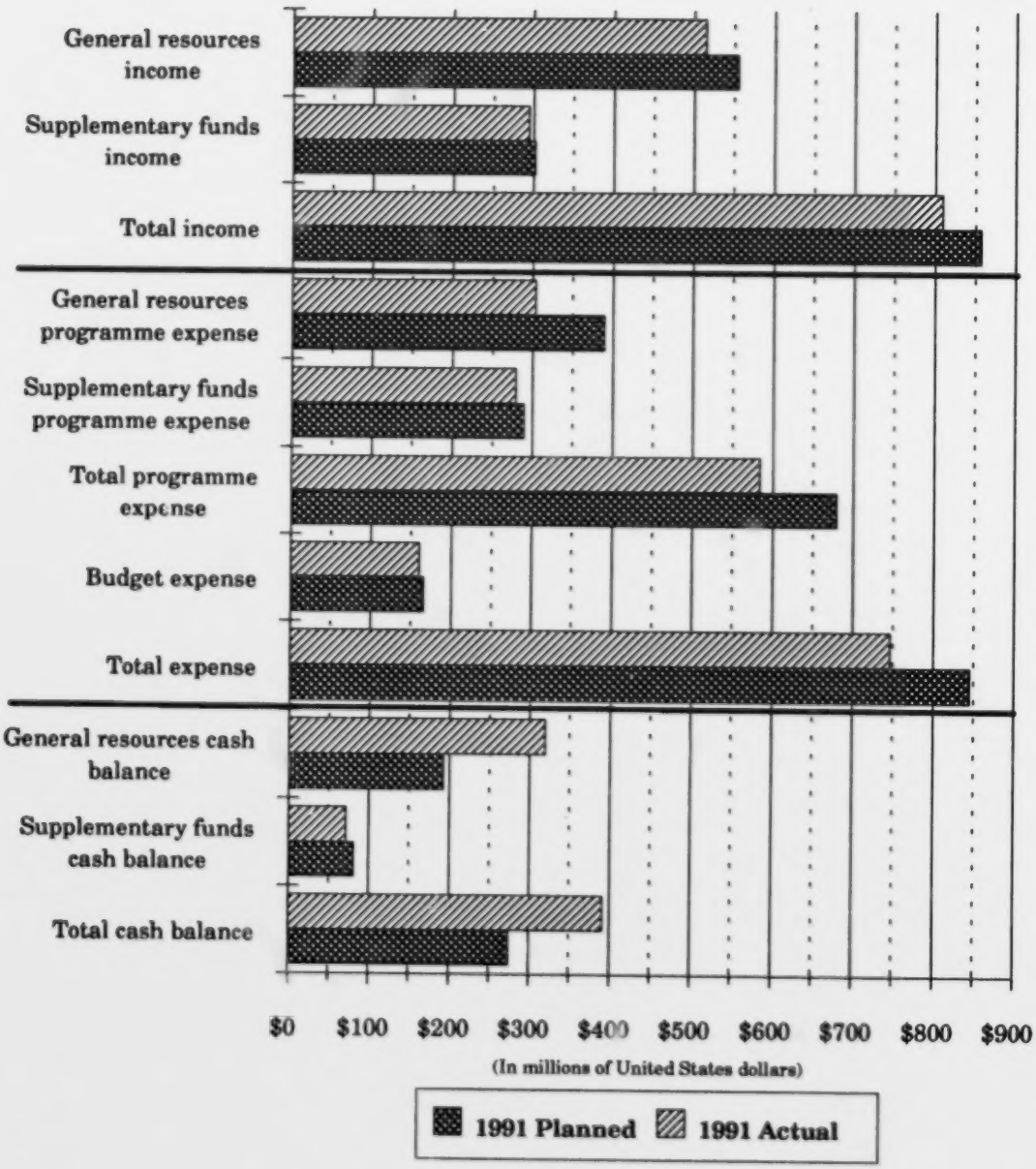


Figure II

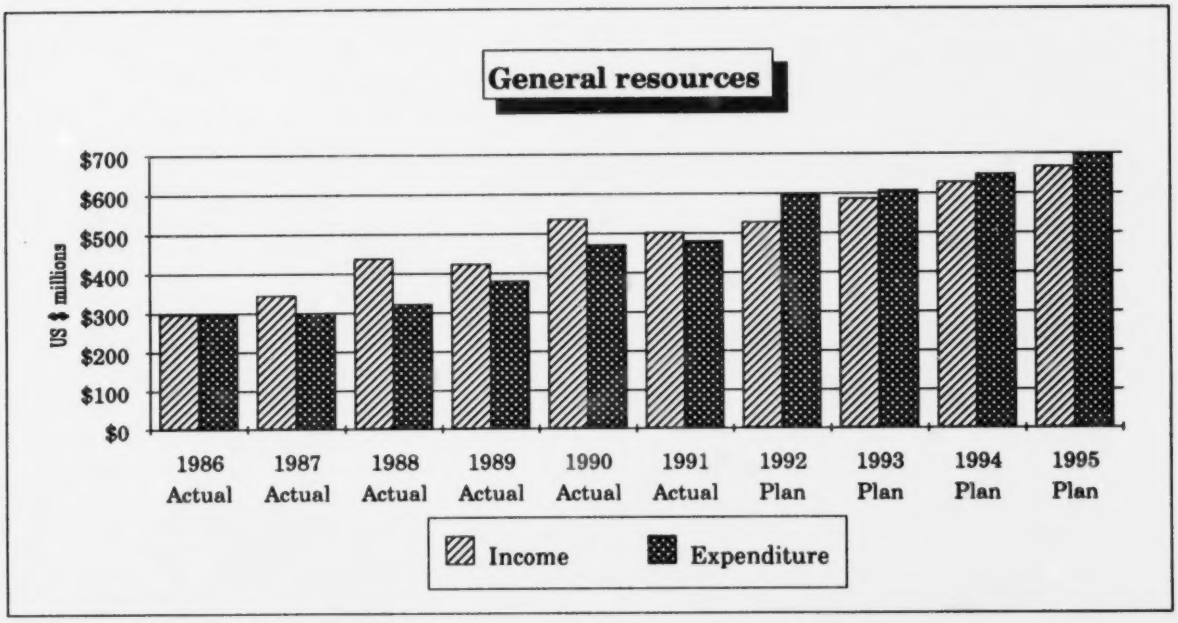


Figure III

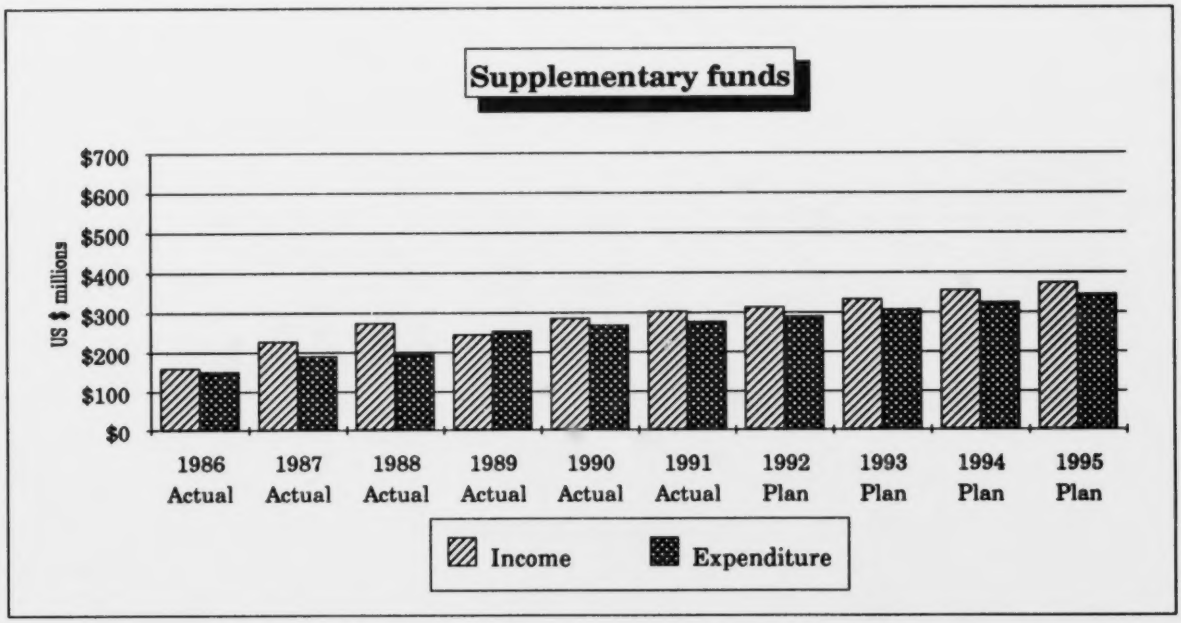


Figure IV

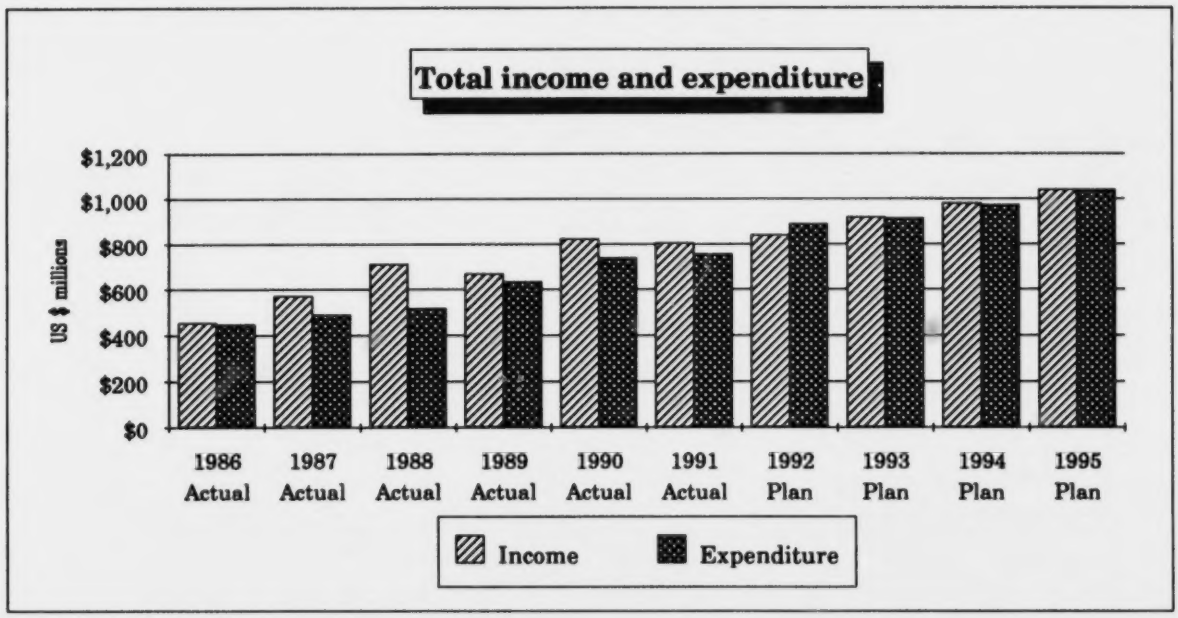


Figure V

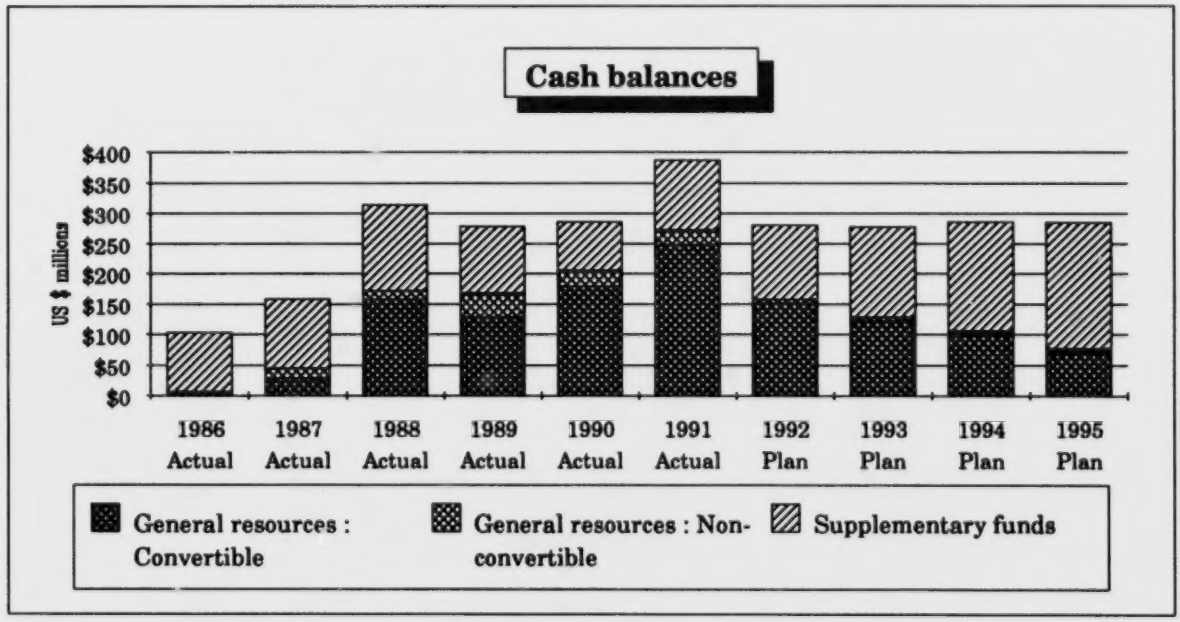
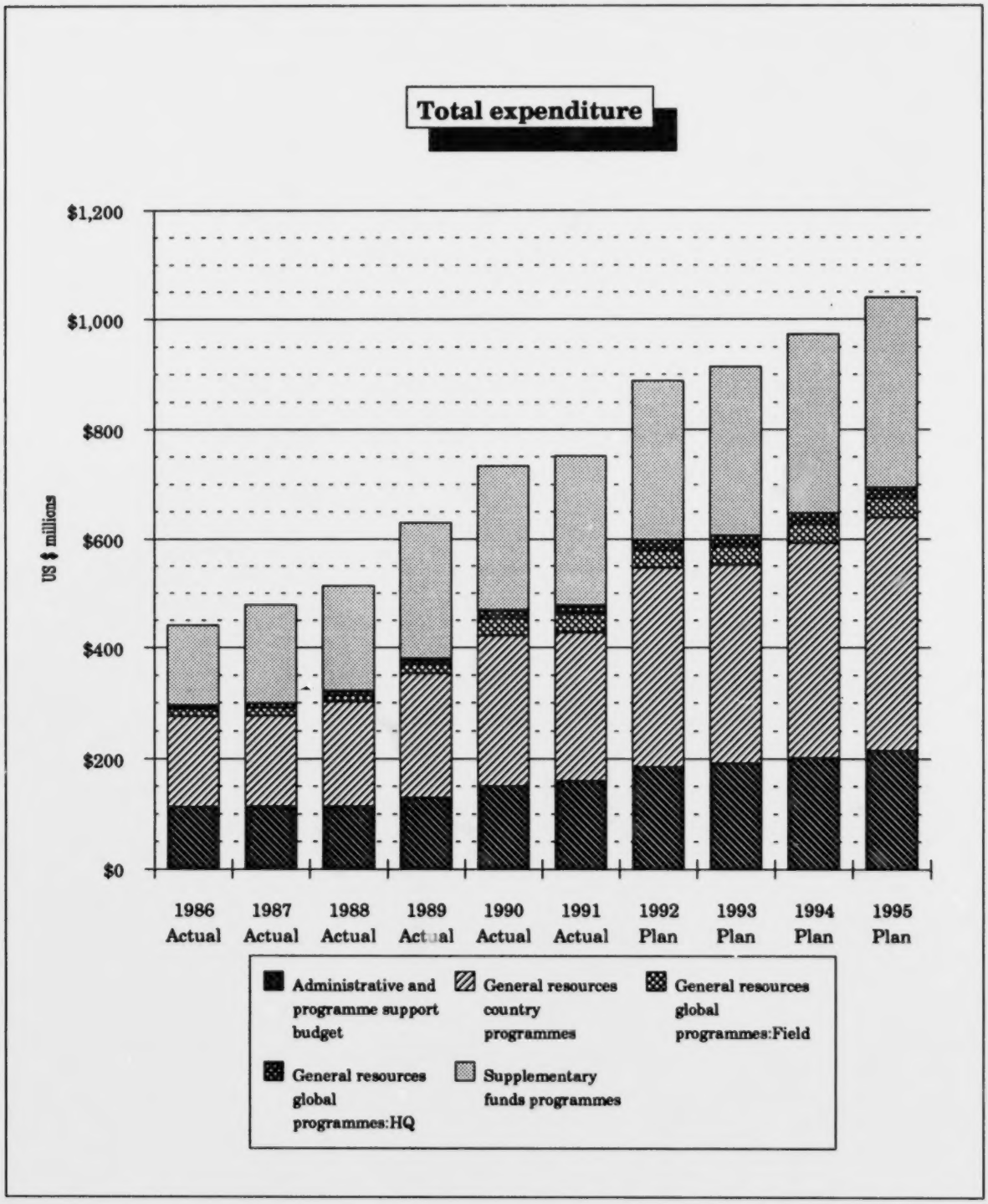


Figure VI


Total expenditure
US $ millions
$1,200
$1,000
$800
$600
$400
$200
$0
1986 Actual
1987 Actual
1988 Actual
1989 Actual
1990 Actual
1991 Actual
1992 Plan
1993 Plan
1994 Plan
1995 Plan
Administrative and programme support budget
General resources country programmes
General resources global programmes:Field
General resources global programmes:HQ
Supplementary funds programmes